

PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS  
SECTION J – LIST OF ATTACHMENTS  
**ATTACHMENT A - PERSONNEL POLICIES AND PROCEDURES**

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**PART - 1- INTRODUCTION**

- A. This attachment sets forth allowable costs by advanced understanding for the Contractor's human resource management policies and related expenses which have cost implications under the contract. Only those items of personnel costs and related expenses that are set forth herein or specifically referenced in this Personnel Attachment are allowable costs by advance understanding under this contract, to the extent that these costs do not conflict with other contract language.
- B. The Contractor shall select, manage, and direct the work force; and apply the policies set forth herein in general conformity with the methods used in its private operations insofar as those methods are consistent with this contract. The Contractor shall use effective management review procedures and internal controls to assure that the allowable costs set forth herein are not exceeded, and that areas which require prior approval of the DOE Contracting Officer or designated representative are reviewed and approved prior to incurring the costs. Failure to conform to the requirements of this attachment, including obtaining DOE Contracting Officer approval when required, may result in costs becoming unallowable under this contract.
- C. Either party may request that this Attachment A be revised, and the parties hereto agree to give consideration in good faith to any such request. Revisions to this Attachment A shall be accomplished by executing Reimbursement Authorizations (DOE Form AD-36), as approved by the DOE Contracting Officer or designated representative. When revisions to this Attachment A are agreed upon, revised pages will be issued reflecting such changes and will bear the effective date of such changes.
- D. This Attachment A is adopted for the exclusive benefit and convenience of the parties hereto, and nothing herein contained will be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party. Accordingly, neither this Attachment A nor any part thereof, as amended or modified, will be deemed to constitute a contract between a party hereto and any employee of the contractor or to be consideration for, or an inducement or condition of, the employment of any person, or to afford the basis for any claim or right of action whatsoever against a party hereto by any employee of the contractor or other third party.

## PART - 2 - DEFINITIONS

- A. Adjustment. Change in salary outside the normal salary program required to establish either internal or external equity for a given position.
- B. Average Rate. The rate which is determined by dividing the weekly straight-time pay by the number of hours worked during the payroll week, when an employee works at more than one basic rate or more than one shift differential rate during a payroll week.
- C. Basic Earnings. The amount obtained by multiplying the number of hours worked by the basic rate.
- D. Basic Rate, Job Rate, or Basic Salary. Rate of pay per hour, per week, or per month, exclusive of any premium, established for each job classification in accordance with the approved wage and salary schedules.
- E. Basic Workweek. A 40-hour workweek.
- F. Change of Classification. Placement of an employee in a new classification due to reassignment without change in salary range.
- G. M&O/Contractor. Management and Operating Contractor.
- H. DEAR. The term "DEAR" means the Department of Energy Acquisition Regulation, in the form in effect on the effective date of this contract.
- I. Department. The Department of Energy or its successor agency.
- J. CO. The Contracting Officer or authorized representative of the Contracting Officer.
- K. Demotion. The permanent placement of an employee in a lower-rated job classification.
- L. Employee. A person hired by and working for the Contractor.
- M. FAR. The term "FAR" means the Federal Acquisition Regulation, in the form in effect on the effective date of this contract.
- N. FTR. The term "FTR" means the Federal Travel Regulation, as it applies to the Federal Civilian Employee and Contractor Travel Expense Act of 1985.
- O. Merit Increase. Increase in the salary of an employee within the established rate range of employee's job classification, which is granted consistent with approved salary increase guidelines.
- P. Exempt Salaried Employees. Executive, administrative, and professional employees who are exempt from certain provisions of the Wage and Hour laws. They are on the monthly, semi-monthly, or bi-weekly payroll.
- Q. Nonexempt Salaried Employees. Employees who are covered under and are subject to the provisions of the Wage and Hour laws, and are not covered by a collective bargaining agreement. They are on the bi-weekly salaried or hourly payroll.
- R. Payroll Day. The 24-hour period extending from midnight to midnight. Exception: Payroll day may vary from midnight to the established starting or ending time of the shift.
- S. Payroll Week. Seven consecutive days (168 hours) extending from 12:01 a.m. Monday to midnight Sunday or seven consecutive days beginning at 12:01 p.m. Friday to Friday

noon. Exception: Payroll week may vary from midnight to the established starting or ending time of the shift.

- T. Promotion. Permanent placement of an employee in a higher rated job classification due to an increase in the character or scope of employee's job assignment.
- U. Reevaluation. Change of job level, up or down, through formal evaluation of existing job.
- V. Regular Scheduled Shift. The normal hours of working time in each payroll day established for each employee.
- W Salaried Employees. Includes both exempt and nonexempt nonrepresented employees.
- X. Severance Pay. A week's pay for layoff purposes is equal to the employee's straight time hourly rate times 40 hours. Premium pay for shift differential, overtime, or like payments, is excluded.
- Y. Straight-time Pay or Straight-time Earnings. Amount obtained by multiplying the number of units of time worked by the straight-time rate per unit of time.
- Z. Termination. Quit, discharge, layoff, retirement, death, and/or removal from the payroll because of disability (as distinguished from disability absence where the employee is not removed from the payroll).

### **PART - 3 - LABOR RELATIONS PROGRAM**

The Contractor shall develop and implement labor relations policies that will promote orderly collective bargaining relationships, equitable resolution of disputes, efficiency and economy in operations, and the judicious expenditures of public funds.

#### **A. *Collective Bargaining Agreements***

1. The terms and conditions set forth in the agreements listed below and any changes or modifications thereto, shall constitute the allowable costs for the contractors' bargaining unit employees. This shall include the bargaining unit members' compensation and benefits for reimbursement and the Agreement(s) as incorporated by reference.
  - a. Agreements between LMITCO and the Oil, Chemical and Atomic Workers International Union, Local No. 2-652.
  - b. Agreement between LMITCO and the Teamsters, Chauffeurs, Warehousemen and Helpers Union, Local No. 983.
  - c. Agreement between LMITCO and the Amalgamated Transit Union, Division 1517, AFL-CIO. (Subsistence, travel, and per diem rates will be in accordance with this agreement.)
  - d. Agreement between LMITCO and the United Plant Guard Workers of America and Amalgamated Plant Guards, Local 3.
  - e. INEL Site Stabilization Agreement and the INEL Site Construction Jurisdictional Procedural Agreement.
2. Upon receipt of any Union proposals and/or preliminary to any negotiation concerning any collective bargaining agreement or amendment thereto, affecting employees engaged in work under this contract, the Contractor shall meet with DOE or designee(s) for the purpose of developing mutually agreed upon bargaining objectives respecting any significant change in existing labor agreements which can be calculated to affect allowable costs under this Attachment A or which could involve other items of special interest to the Government.
3. The Contractor shall keep DOE advised of significant developments during any negotiations.
4. The Contractor shall promptly advise DOE of labor relations developments which involve or appear likely to involve:
  - a. Possible strike situations affecting the INEEL facilities;
  - b. The National Labor Relations Board at any level;
  - c. Recourse to procedures under the Labor-Management Act of 1947, as amended, or any other Federal or State law;
  - d. Any grievance for which the Contractor has received a written intent from the union to arbitrate under a Collective Bargaining Agreement; or
  - e. Other significant issues that may involve review by other federal or state agencies.
5. The Contractor will provide DOE notification and an estimate of costs associated with any action by the Contractor under the Labor Management Relations Act of 1947, as amended, and/or involving the National Labor Relations Board.

6. units, not in excess of those provided in the Collective Bargaining Agreements listed processing and settlements, arbitration and arbitration awards and other costs and and revisions thereto listed above are allowable costs hereunder.

**PART - 4 - PAY AND SALARY ADMINISTRATION POLICIES****A. *Exempt and Nonexempt Salaried Employees***

The Contractor shall submit its Compensation Program to the Contracting Officer for initial approval and periodic review. Proposed major compensation design changes will also be submitted for review and approval. Administration of wages and salaries under this contract shall be carried out in accordance with recognized wage and salary administration principles. The principles shall provide for equitable treatment of personnel on a definitive, systematic basis consistent with economic business practices and judicious expenditures of public funds and which shall result in payment of total compensation to individual employees conforming to the standards of reasonableness, allowability and allocability as contemplated by FAR Subpart 31.201.

**B. *Salary Administration*****1. Salary Ranges**

Salary ranges with a minimum, maximum, and midpoint for each job grade shall be established and approved by the Contracting Officer and made a part of this Attachment (see Table 1). Any changes in the salary ranges will be approved in advance by DOE.

**2. Red Circle Rates**

Employees paid above the maximum rate for their range will be placed in a "red circle" classification. They shall receive no base salary adjustments until such time as the rate range is increased to include their pay. They will then be eligible for increases that will result in them being paid no more than the maximum for their range.

**3. Executive Bonus**

Executive bonus, stock option and all other incentive pay type programs are an unallowable cost under this contract unless specifically approved by the Contracting Officer.

**C. *Annual Compensation Increase Plan***

1. Each year, sixty (60) days prior to implementing action, the Contractor will develop and justify, in a manner prescribed by the DOE, a Salary Increase Fund Plan for review and approval by the CO..
2. The funds are a percentage of the respective total exempt and nonexempt eligible payrolls at the end of the prior calendar year (expressed as an annualized amount) and will be the maximum allowed for granting increases for permanent employees due to merit, promotions, adjustments, reclassifications, and step increases.
3. This fund will be based upon such factors as national and local surveys, area rates, and such other criteria as may be pertinent to the establishment of competitive salaries for each occupational group, e.g., scientists and engineers, administrative, technical, and clerical. Each component of the fund, i.e., merit, promotions, adjustments, reclassifications and step increases, shall be justified separately.
4. All increases are charged to the fund on an annualized basis. Once an individual's salary increase is charged to the fund, reuse of that amount, i.e., recovery, for any other purpose during the salary year is unallowable. If an individual terminates before



receiving an increase, the portion of the fund allocated for that increase may remain in the fund.

5. The Contractor shall also provide a copy of the annually developed salary guidelines prepared for supervisory use, indicating the parameters for granting various increases based on employee performance and current salary.
6. The dollar amount of the fund shall be subject to review and adjustment by the DOE upon a significant reduction in Contractor employment levels, as in a reduction-in-force.

***D. Approval of Individual Salary Actions Over \$100,000 Per Year***

1. Besides the President's salary actions, the Contractor will submit all proposed salary actions involving individuals with salaries above \$100,000 per year, and who report directly to the President, for review and approval by the Contracting Officer. All actions including increases under the annual merit increase guidelines, as well as salary adjustments, must be approved in advance of the effective date. These actions shall be submitted to the Contracting Officer on a Compensation Approval form, DOE F 3220.5 at least thirty (30) days in advance of the proposed effective date of the action.
2. For costs incurred after January 1, 1998, compensation of a senior executive in excess of \$340,650 is unallowable. This amount, known as the "benchmark compensation amount" is subject to annual adjustments as established by the Administrator, Office of Federal Procurement Policy. Allowable costs of executive compensation shall be determined pursuant to Federal Acquisition Regulation 31.205-6(p).

Compensation for costs means: the total amount of wages, salary, bonuses and deferred compensation (see FAR 31.205-6(k)) and employer contributions to defined contribution pension plans (see FAR 31.205-6(j)(5) and (j)(8)) for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in the contractor's cost accounting records for the fiscal year. It does not include fringe benefits, such as health benefits, and employer contributions to defined benefit pension plans. If reasonable in amount, these elements of compensation are allowable irrespective of the cap.

Senior executive means: (1) the contractor's Chief Executive Officer or any individual acting in a similar capacity; (2) the contractor's four most highly compensated employees in management positions other than the chief executive officer; and (3) if the contractor has intermediate home offices or segments that report directly to the contractor's corporate headquarters, the five most highly compensated employees in management positions at each such intermediate home office or segment.

The salary for the top contractor management official, to be reimbursed by DOE, shall not exceed \$225,000 per annum. This limitation applies to annual salary and any allowable variable compensation. Salary limits will be commensurately less for executives below the top contractor management official.

All compensation limitations of DOE Acquisition Letter No. 98-07 apply.

<http://www.pr.doe.gov/acqltr.html>

***E. Premium Pay, Nonexempt Employees***

1. Shift differentials for evening and night work will be paid to shift workers. The evening shift differential will be seven and one-half percent (7.5%) of the straight-time hourly

rate, with a maximum of one dollar and fifty cents (\$1.50) per hour. The night shift differential will be ten percent (10.0%) of the straight-time hourly rate, with a maximum of two dollars (\$2.00) per hour. The differential will be considered part of the basic rate when calculating overtime pay.

2. For employees assigned to an alternate workweek night shift (majority of hours worked fall between midnight and 8:00 a.m.), a night shift differential will be paid. The differential will be 10 percent (10%) of the straight-time hourly rate, with a maximum of two dollars (\$2.00) per hour.
3. In certain instances, employees classified as technicians and/or drafter/artists may receive upgrade pay of \$1.50 per hour when designated by management to direct the work of other similarly classified employees due to the absence or unavailability of supervision. Such upgrade pay shall not be subject to overtime premium.

#### ***F. Overtime, Nonexempt Employees***

1. The contractor may utilize a variety of compressed workweek schedules in the accomplishment of its work scope so long as such schedules do not violate applicable provisions of the Fair Labor Standards Act. Workweek schedules must be approved by the Contracting Officer prior to implementation.
2. All hours worked in excess of forty (40) hours per workweek will be compensated at time and one-half (1-1/2).
3. When an employee reports for work outside the employee's regular schedule in response to a special request of the Company, provided the request is made after the last regularly scheduled shift preceding the work assignment, the employee may be guaranteed two (2) hours of pay at straight time under 40 hours or time and one-half over 40 hours in the work week.
4. An employee who works on his second scheduled day off will be paid time and one-half for hours worked on such day.
5. An employee who is required to work on a holiday shall receive time and one-half (1-1/2) the base pay for all hours worked, in addition to holiday pay that may be due.
6. For Nonrepresented employees, all hours paid, except those hours coded to short term disability, will be counted as hours worked for purposes of calculating overtime.
7. In no event will overtime be pyramided, but will be paid at the highest applicable premium.

#### ***G. Premium Pay, Exempt Employees***

1. An exempt, salaried employee assigned to a regularly scheduled evening, night or rotating shift for at least four (4) consecutive workdays, or thirty percent (30%) of his work time in a month, may be paid a shift allowance separate from his base pay not to exceed ten percent (10%) of his base rate, with a maximum of three dollars and ten cents (\$3.10) per hour, for those hours worked on the evening or night shift.
2. Exempt Security personnel will be paid shift differential in accordance with the pay methodology and percentages approved in a letter dated February 12, 1997, Addendum to Attachment A --, signed by the Contracting Officer, Robert J. Bardsley, on 4/29/97.

## **H. Overtime, Exempt Employees**

1. Because exempt employees are paid on a salaried basis to accomplish the work scope for which they were hired, occasional overtime for exempt employees is generally noncompensable as such.
2. A manager (department manager or above) may approve payment for hours worked by an exempt employee in excess of his/her regular work schedule, provided the overtime is directed and scheduled on a temporary basis to facilitate the accomplishment of assignments in addition to the employee's normal work scope. Before authorizing overtime pay for exempt employees, the immediate manager will ensure that all of the following criteria are satisfied:
  - a. The overtime is scheduled in advance by the immediate manager (department manager or above).
  - b. The additional assignment necessitating the overtime is anticipated to require employees to work more than 5 hours of overtime per week.
  - c. The affected employee(s) do not earn more than \$5,416 per month (base salary).
  - d. Overtime that extends beyond eight consecutive weeks is approved in advance by the next higher level of management.
  - e. The overtime is necessary for accomplishing special assignments or meeting new work scope requirements.
3. If the above provisions are satisfied, exempt employees will be compensated for overtime hours worked in excess of 5 per week in accordance with the following:
  - a. Exempt employees will not receive payment for any overtime hours in weeks when they work less than 45 hours.
  - b. Time actually worked and holiday hours paid will count in determining eligibility for overtime pay. Time worked does not include paid leave usage, hours spent in transit on business travel, etc.
  - c. Payment for overtime under this Section will be made at the exempt employee's regular monthly salary computed on an hourly basis.
  - d. Generally, employees may not schedule personal leave during a period of approved overtime. The need to be absent may be accommodated with flex-time where possible.
  - e. Exempt employees will be granted compensatory time off for overtime hours worked only with approval of a company policy by the CO..
4. Exempt employees working 12-hour shifts will record a minimum of 40 hours each week while working their regularly assigned shift. All compensated overtime hours worked by such employees will be paid at straight-time rates.
5. Exempt employees at reactor facilities who are regularly assigned to shift work as Senior Reactor Operators may be paid at one and one-half times their base rate of pay for all hours worked in excess of 40 hours per week, and for holidays worked in addition to holiday pay that may be due. Exempt employees who are regularly assigned to shift work as Shift Supervisors may be paid at straight-time for all hours worked in excess of 40 hours per week, and for holidays worked in addition to holiday pay that may be due.

6. Exceptions to the policy on payment of exempt overtime shall require review by the contractor and Contracting Officer approval.

**I. Miscellaneous Pay Provisions**

1. Meal Reimbursement - A meal of reasonable cost may be provided employees who are directed by their immediate manager to work outside their regularly scheduled shift as follows:
  - a. For two (2) or more hours beyond their regularly scheduled shift (one meal).
  - b. On call-out status for four (4) or more hours (one meal).
  - c. For two consecutive shifts (two meals).

**J. Overtime Management**

The contractor shall maintain adequate internal controls to ensure that employee overtime is authorized only if cost effective and necessary to ensure performance of work under this contract.

The contractor shall notify the Contracting Officer when in any given year it is likely that overtime usage as a percentage of payroll may exceed 4%.

The Contracting Officer may require the submission, for approval, of a formal annual overtime control plan whenever contractor overtime usage as a percentage of payroll has exceeded, or is likely to exceed, 4%, or if the Contracting Officer otherwise deems overtime expenditures excessive. The overtime control plan will be as prescribed in DEAR 970.5204-80 Overtime Management.

**K. Severance Pay**

1. A regular, full-time employee laid off due to a reduction in force after twelve (12) months recognized Contractor service shall be paid severance pay as follows:

<u>Years of Service Credit</u>	<u>Weeks of Severance Pay</u>
1 yr. but less than 2	1
2 yr. but less than 4	2
4 yr. but less than 7	3
7 yr. but less than 10	4
10 yr. but less than 15	6
15 yr. but less than 20	9
20 yr. but less than 25	12
25 yr. and over	16

2. If an employee has previously received severance pay in accordance with Section K.1 and is subsequently rehired by the Contractor and is again laid off (not for cause), service

credit for purposes of determining severance pay for the latest separation does not include any period of prior service for which severance pay was previously paid. However, an employee who receives severance pay in accordance with Section K.1 and who is subsequently rehired shall be given the option of repaying any portion of his/her severance pay (expressed in weeks) to the Contractor. That returned portion shall be credited to the individual employee's severance pay account and shall be available for his/her use in the event of subsequent layoffs.

3. An employee who has received severance pay in accordance with Section K.1 and who is rehired, will again be eligible to earn additional severance pay, beginning with the date of rehire, in accordance with Section K.1.
4. Severance pay benefits are not payable when an employee voluntarily separates from employment or when an employee is employed by or receives an offer of employment with a replacement contractor where continuity of employment with credit for prior length of service for purposes of the site wide benefit plans, is preserved under substantially equal conditions of employment.
5. No employee (1) who accepts transfer to another facility subsidiary, or affiliate of the Contractor, (2) who is offered employment at comparable pay and benefits by successor contractor, (3) who resigns, or (4) who is discharged for cause, shall be eligible for severance pay under this contract.
6. Periods of unpaid leave in excess of one year are not included in determining the years of service for purposes of determining the amount of severance pay under K.1. Notwithstanding the above, leaves of absence for union business shall be handled consistent with the parties' collective bargaining agreements, and leave for Professional Research, Teaching, or Technology Transfer shall be handled in accordance with Section J of this Attachment A.

***L. Pay in Lieu of Notice***

When an employee is terminated by the company for any reason except "discharged for cause," he may receive pay in lieu of notice up to two (2) weeks

***M. Reactor Operations Certification Bonus Program***

A certification bonus will be paid to all employees who, at the request of the Contractor, maintain active certifications in the Reactor Operations Certification Program. Employees become eligible for the bonus upon Console certification. The bonuses will be \$3,000, \$4,500, and \$6,000 for Experimental Power Reactor Operators (EPRO), Senior Reactor Engineers, and Assistant/Shift Managers, respectively. Prorated bonus payments will begin the first trimester after certification. An employee certified at two levels will receive a prorated bonus reflecting the period of time the employee was at each certification level. An eligible employee transferring to a noneligible position or terminating during a trimester will not receive a bonus for time spent in an eligible position prior to transfer/termination.

## **PART - 5 - BENEFIT PROGRAMS AND POLICIES**

The employee benefit plans and all amendments thereto, shall be subject to prior Contracting Officer approval. Related costs, described in this section are approved by DOE for application to employees working on this contract and are reimbursable.

The plans may be continued from year to year without further DOE approval, even though experience under the plan may result in increased premium cost, providing the benefits are not changed. The Contractor will notify the Contracting Officer of any change in cost (e.g., premium rates) which is not attributable to a change in benefits.

### **A. Contractor Service Credit for Purposes of Benefits**

1. Contractor service credit shall encompass that period of uninterrupted active service rendered by an employee for the Contractor from the most recent date of employment, with special applications as outlined in this Attachment A.
2. Employees transferring to the Contractor from other contractors participating in the INEEL benefit programs will receive continuous benefit plan credit based upon their credited service as current participants in the INEEL benefit programs. Employees who transfer in from contractors who are not part of the contractors corporation and who are not participating in the INEEL benefit programs will not have prior service credit transferred but will start accruing service based on their service time with the Contractor.
3. Prior service credit for employees transferring to the Contractor from the parent company or its subsidiaries will be applied in accordance with this contract and the Contractor's service credit policies regarding leave accrued, and participation in other Contractor benefit plans other than the defined-benefit and defined-contribution pension plans. Employees transferring to the Contractor from the parent company or its subsidiaries will be credited with prior service credit for purposes of vesting in the defined-benefit and defined-contribution pension plans.
4. There will be no duplication of benefits in allowing prior service credit.
5. Should an employee of the contractor be "laidoff" and subsequently rehired within a twelve (12) month period, the recognized contractor service credit will be considered continuous.
6. For part-time and casual employees, service credits are calculated based on hours worked and holidays. When 2,080 paid hours are accumulated, one (1) year of service will be credited.
7. Personal leave and short-term disability bank hours privileges for employees acquired as a result of mergers, purchases, trades, transfer from the parent Contractor and its subsidiaries, or other similar methods of acquiring employees, shall be determined as though their continuous service in the acquired operations was service rendered in the employ of the Contractor.

### **B. Holidays**

Eighty hours of holiday will be credited annually and employees will be paid for their regular scheduled hours at their regular base rate. The schedule of holidays to be observed annually will be provided by the contractor to DOE, prior to December 15th of the year before the schedule is to be effective.

**C. Personal Leave/Short-Term Disability**

1. Employees, except those on the dump system, will earn personal leave and short-term disability for each work week they are in pay status (defined to include insured STD and workers' compensation wage reimbursement payments) for not less than one-half of the work hours scheduled for such a week according to the following schedules:

<u>Months of Service</u>	<u>Hours Per Week</u>			<u>Hours Per Year</u>		
	<u>PL</u>	<u>STD</u>	<u>Total</u>	<u>PL</u>	<u>STD</u>	<u>Total</u>
0 Through 108	2.769	0.615	3.384	144	32	176
109 Through 228	3.539	0.615	4.154	184	32	216
229 or more	4.308	0.615	4.923	224	32	256

2. Dump system employees will earn personal leave annually in January as follows:

<u>Months of Service</u>	<u>Accrued Annually</u>
0 Through 108	144 hours
109 Through 228	184 hours
229 or more	224 hours

Dump system employees will earn short-term disability hours at the rate of 0.615 hours for each work week they are in pay status (defined to include insured STD and workers' compensation wage reimbursement payments) for not less than one-half of the work hours scheduled for such week.

3. Personal leave and short-term disability bank hours for which a part-time employee is entitled is calculated at the rate of one week's accrual for each 40 hours worked as follows:

<u>Cumulative Hours Worked</u>	<u>Leave Per 40 Hours Worked</u>		
	<u>PL</u>	<u>STD</u>	<u>Total</u>
173 through 20,800	2.769	0.615	3.384
20,801 through 41,600	3.539	0.615	4.154
40,601 or more	4.308	0.615	4.923

4. Employees who are assigned to work at the site may earn up to 0.289 hours of additional personal leave for each work week they are in pay status for not less than one-half of the work hours scheduled for such week.
5. Leave Donation Program: The Contractor may approve the donation of up to 500 personal leave hours by one or more employees to another employee if all of the following conditions are satisfied:
- The receiving employee or a member of his/her immediate family (defined to include spouse, parents, and children) is experiencing a serious medical situation that is documented by note from a personal physician, and is expected to result in substantial loss of income.
  - The receiving employee has exhausted short-term disability bank hours and/or personal leave benefits.
  - It is anticipated that the receiving employee will be absent from work as a result of the medical situation for a minimum period of 2 weeks.

- d. Donor employees do not deplete their own personal leave balances below 80 hours.
- e. The donation of hours is documented by signed statements or electronic notes.
- f. Leave donations in excess of 500 hours will require the prior approval of DOE-ID.
- g. Separate and apart from the above, the contractor may approve annually the donation of up to 500 personal leave hours by one or more employees to other employees for reasons approved by the contractor.

**D. Miscellaneous Personal Leave/Short-Term Disability Provisions**

1. Personal Leave Carryover Maximums

<u>Months of Service</u>	<u>Maximum Carryover</u>
0 Through 60	200 Hours
61 Through 120	240 Hours
121 or More	320 Hours

- 2. The Contractor may approve the general carryover of personal leave hours in excess of these maximums. Requests to exceed these limits will not be granted unless a compelling extraordinary rational exists. Such excess carryover must be taken in the next calendar year or be forfeited.
- 3. All unused personal leave hours in excess of the allowed carryover limits (that are not approved by the Contractor for special carryover) at the end of the calendar year shall be canceled and the employee may not be paid for such canceled personal leave.
- 4. In applying the carryover limits, PL hours that may have been donated to other company employees (but not actually transferred pending final determination of how many hours will actually be needed by the recipient) will not be counted.
- 5. There shall be no limit to the number of unused short-term disability bank hours that an employee may carry over.
- 6. Upon termination for any reason, including retirement or layoff, except as noted in Section 5.D.8. below, employees will be paid in lump sum for any personal leave credited but not used. Upon termination for any reason, including retirement or layoff, employees will not be paid for unused short-term disability bank hours.
- 7. Employees who transfer in from other (non-M&O contractor Corporation companies , who are not participating in the INEEL benefit programs) Contractors will have their leave banks zeroed out prior to transfer to the INEEL and will accrue leave based on their service time with the M&O.
- 8. Any employee who transfers from the M7O to another M&O corporate entity, will have the option of transferring all or part of his/her unused personal leave to the new employer, depending upon the ability of the new employer to receive this personal leave, or be paid off in a lump sum before transferring.
- 9. In those situations where an employee transfers to the Contractor directly from another corporate entity, the Contractor may recognize the unused sick leave accrued at such other entity on the date of transfer. All payments to the transferred employee for sick leave recognized under this section are an allowable cost to the contract.



- 10, In those situations where an employee transfers to the Contractor directly from another corporate entity, the Contractor may recognize and transfer in the accrued vacation leave from the losing employer. The contractor will carryover only those amounts up to the amounts recognized for maximum carryover under this contract. The value of these hours will be paid by check from the losing employer to the M&O.

## ***E. Accident and Illness Plan***

### ***1. General Provisions***

Incidental administrative costs associated with the administration of this program are reimbursable under this contract.

### ***2. Job-Incurred Disabilities***

Employees who sustain on-the-job injuries may be compensated by the contract at their base rate of pay for all hours missed from work on the day of injury.

### ***3. Application of Short-Term Disability Bank Hours***

- a. Hours of accumulated sick leave on September 4, 1995 were transferred to the employee's short-term disability bank and may be used as follows:
  - (1). To cover a period of absence due to an accident or to an illness that lasts more than one calendar week.
  - (2). To avoid loss of income while drawing insured short-term disability benefits. Employees may use their STD bank hours to cover the period of time before benefits are payable (i.e., retroactive to the first day of absence), to supplement the insured benefits to 100% of base pay, and to continue wage replacement payments following the cessation of insured benefit payments.
  - (3). To avoid loss of income while drawing insured workers' compensation benefits. Employees may use the STD bank hours to cover the period of time before benefits are payable (i.e., retroactive to the first day of absence), to supplement the insured benefits to 100% of base pay, and to continue wage replacement payments following the cessation of insured benefit payments.

## ***F. Death in Family Leave***

1. In the event of the death of a qualified member of the employee's immediate family, an employee may be granted death in family leave with pay at employee's regular base rate, up to a maximum of twenty-four (24) hours as required depending upon individual circumstances.
2. Immediate family will cover the employee's spouse or another member of the employee's or spouse's immediate family, including a parent, sibling, child (including legally adopted and stepchild), stepparent, grandparent, grandchild, and son and daughter-in-law.

**G. Court Leave**

An employee called for jury duty, or who is required by court process to attend court proceedings in which he/she is not a principal nor has any financial interest, will continue to be paid his/her regular base pay for necessary time away from his/her job. The amount of pay received for a court appearance will be returned to the Contractor, less any travel and meal allowance.

**H. Military Leave**

1. Full-time employees who are in the armed forces of the United States, including National Guard members and who have short-term military training obligations, such as annual training, will be granted 15 working days of leave per calendar year to satisfy their obligations. During this time, the contractor will pay the difference, if any, between the employee's military base pay and the employee's prorated salary.
2. Military training leave in excess of 15 working days during a calendar year will be granted as leave without pay or as personal leave, at the employee's option.
3. Full-time employees who are members of the National Guard and who are called for emergency duty will be granted up to 160 hours of paid leave per calendar year. During this time, the Contractor will pay the difference, if any, between total Guard Duty pay and the employee's prorated salary for the actual number of working days involved up to the maximum of 160 hours.
4. Any employee who is drafted or volunteers in the armed services of the United States, in the time of national emergency, or who is called to active duty as a reservist, is terminated from active employment and considered to be on extended military leave without pay.
5. Employees on military leave are entitled to veteran's re-employment rights as established by Federal Law.
6. Impact of military leave on various insurance, retirement income, and investment plans will be in accordance with the plan descriptions.
7. Time spent on military leave will be considered in computing Contractor service credit.

**I. Nonpaid Leaves of Absence - Time Off Without Pay**

1. An employee having one (1) or more years of recognized Contractor service credit may be granted a leave of absence without guarantee of reemployment (except in the case of ill health) for a period of not less than fifteen (15) calendar days, nor more than one (1) calendar year for the following reasons:
  - a. Ill Health - Leave of absence may be granted for ill health of the employee or the employee's family. Three (3) successive extensions of the leave may be granted to cover prolonged illnesses of the employee. However, the employee will be terminated from active employment after one year. An employee on leave of absence for ill health, is considered a regular employee in all respects except that of receiving salary or wage payments for a maximum period of one year. The employee is expected to apply for reinstatement to an active status as soon as the physical condition of the employee or dependent permits, and shall not engage in any gainful employment for another or for the employee while on leave status unless prior approval to do so is granted.

Notwithstanding the above, the contractor shall comply with the provisions of the Family and Medical Leave Act.

- b. Education - An employee may be granted leave to attend a recognized educational institution other than on a part-time basis. Successive extensions of the leave may be granted as necessary for completion of the employee's educational goals. Employees who are granted leave of absence for educational purposes will be terminated from active employment.
  - c. Other Personal Reasons - This category includes such reasons as travel, accompanying spouse in college or military service, campaigning for and/or serving in a political office or essential personal affairs. Employees who are granted leave of absence will be terminated from active employment.
- 2. Recognized Contractor service credit will accrue to the employee during only the first year of leave.
  - 3. The impact of leave on the various insurance, retirement income, and investment plans will be handled in accordance with the plan descriptions.
  - 4. With proper managerial approval, time off without pay at the request of the employee may be granted to an employee up to a maximum of 90 days per calendar year.

***J. Professional Research, Teaching, or Technology Transfer Leave***

- 1. With prior approval of the Company President, an employee with three (3) or more years of recognized Contractor Service credit may be granted a professional research, teaching, or technology transfer leave for a period of not more than one (1) year with the potential of up to two (2) one year renewals for the following reasons:
  - a. To accept a professional research assignment in industry or with an academic institution,
  - b. To accept a teaching position with an academic institution,
  - c. To transfer technology from the INEEL to the industrial community, or
  - d. To pursue entrepreneurial activities in conjunction with the founding of a spin-off company.
- 2. Employees may continue to work for the contractor on a part-time basis while on Professional Leave.
- 3. For the term of the assignment, the Company may approve the maintenance of certain benefits and may pay a salary differential which, when combined with pay received from the research/teaching assignment or technology transfer activities, may not exceed the employee's base pay. Additionally, employees who wish to pursue entrepreneurial spin-off activities and choose to terminate their employment instead of taking Professional Leave may be provided medical benefits at active employee rates for up to one year following termination.
- 4. The Contractor's policy and procedures for professional leave, will be provided to the Contracting Officer for review.
- 5. A summary report will be submitted to the Contracting Officer annually which includes the names of the employees granted professional leave, the duration of the leaves and any relevant costs.

**K. Approved Leave**

1. Approved leave payable at straight time rates will be available for the following reasons:
  - a. Due to facility closures, for bad weather, civil defense exercises, or other DOE approved activities, and for employees participating in certain contractor sponsored employee programs. The Contractor shall develop policy and procedures for the administration of this program and submit to DOE for review. Instances of approved leave will be reported to DOE as they occur.
  - b. For unavoidable partial day absences of exempt employees who have exhausted their paid leave benefits (including personal leave and/or short-term disability bank hours) and who cannot make up the absence within the same work week.

**L. Benefit Plans**

1. The Company has in effect the following approved benefit plans that are approved by DOE.

Flexible Benefits Program	Vision Insurance
Retirement Plan	Dental Insurance
Investment Plan	Business Travel Accident
Medical Plan	Life Insurance
Dependent Life Insurance	Long Term Disability Insurance
Flex Spending Accounts	
Short Term Disability Insurance	
Long-Term Care Insurance	
Accident Death & Dismemberment Insurance	
2. Employee benefit plans may be initiated or changed by the Contractor. However, all new plans and revisions or amendments to existing plans must receive prior DOE approval before the costs will be allowed. The impact of all personnel policies on participation in these plans will be described in the individual plan descriptions.

**M. Defined Benefit Pension Plan and Defined Contribution Pension Plan**

1. Reporting and Plan Design Requirements

Annually, the Plan Sponsor (i.e., the M&O Contractor administering the Plan) shall submit to DOE for each plan copies of the actuarial valuation, the accounting report, the IRS Form 5500 tax package, and all IRS forms in the 5300 series. Accounting for plan assets shall be on an accrual basis market value. Plan assets shall include an accumulation of DOE-reimbursed contributions, Contractor employee contributions, and investment earnings. For purposes of crediting contributions with earnings, the parties to the sitewide benefit pension plan and defined contribution pension plan shall consider all assets fungible. The site defined benefit plans and site defined contribution plans, as well as modifications of same, shall require the approval of the Head of Contracting Activity. The plans shall be qualified plans under the Internal Revenue Code. The break-in-service rules of such plans shall be no more punitive to the plan participants than those Employee Retirement Income Security Act (ERISA) break-in-service rules which apply to single-employer plans.

2. Funding

- a. The normal costs, actuarial liabilities, and the required Contractor or subcontractor contributions will be computed on the basis of any immediate-gain actuarial cost method which is acceptable to the IRS.
- b. Contractor contributions to plan funds shall equal amounts attributable to work performed for the benefit of DOE by current or former Contractor participants in the plans. These contributions shall be based on the actuarial valuation for the most recent plan year. Such contributions shall be subject to the approval of the Head of Contracting Activity. Furthermore, the contribution shall not exceed the greater of the minimum funding requirement or that amount which would fully fund the current liability.
- c. The Plan Sponsor shall submit annually, for approval by the Head of Contracting Activity, the administrative costs of each plan.
- d. (Note: This paragraph only applies to defined contribution plans.) The Plan Sponsor shall credit to DOE all funds not allocable to vested contract service of participants in a defined contribution plan. Thus, the Plan Sponsor shall refund nonvested Department contributions for those employees who withdraw from the plan and all Department contributions paid toward periods beginning on and after the contract termination date. For periods beginning before contract termination, the Plan Sponsor may use such refunds to reduce future Department contributions.
- e. In the case of a participant whose employment is transferred on or before September 30, 1997 directly from the Plan Sponsor to the parent company or subsidiaries, final average earnings for purposes of calculating the retirement benefit as provided in the Plan Sponsor Retirement Plan Document shall also take into account such participant's earnings attributable to periods of continuous employment with such parent or subsidiary company subsequent to such transfer. The number of participants transferring shall appear as line items in the demographic tables of the annual actuarial valuation. A copy of this information will be transmitted to DOE. In the case of a participant whose employment is transferred directly to the Plan Sponsor from the parent company or subsidiaries, recognized service credit for vesting will be allowed as stated in Part 5, A. Final average earnings for purposes of calculating the retirement benefit as provided in the parent company's or subsidiary's retirement plan document, shall also take into account such participant's earnings attributable to periods of continuous employment with the Plan Sponsor subsequent to such transfer.

Participants whose employment is transferred (after September 30, 1997) between the Plan Sponsor and the parent company (including subsidiaries thereof), upon retiring or otherwise terminating employment from the entity to which last transferred, shall be considered for pension purposes as having performed their entire service from that entity. Assets and liabilities shall be transferred to the defined benefit plan of the receiving entity as of the valuation date following the date of transfer. The amount of assets to be transferred shall equal the sum of the funded portion of the actuarial liability of each transferee, where the funded portion is based on the funding status of the active pension plan participants for the entity to which the employees are transferred. In no event shall the amount of such asset transfer be less than the amount required under Section 414(1) of the Internal Revenue code. The transferred assets and the number of transfer shall be itemized in the actuarial valuation report.
- f. The funding vehicle for any qualified plan shall be a trust.
- g. If the defined benefit plan has multiple sponsors, then each sponsor agrees to:

- (1) guarantee any employer liabilities at time of withdrawal with corporate assets, or
- (2) immediately satisfy any employer liability at time of withdrawal.

3. Procedures for Certain Events

- a. Assumption of Contract - The Plan Sponsor assumes sponsorship of each plan on behalf of those of its employees who are performing contract service by virtue of accepting the contract.
- b. Termination or Expiration of Contract - Depending upon the situation, the following procedure shall apply to each plan:
- c. No Replacement Contractor - In the event the contract expires or is terminated without a replacement contractor, all accrued benefits for Contractor employees shall become 100 percent vested immediately regardless of the plan's vesting schedule. If a plan termination is unavoidable, the parties to the contract shall follow the procedures in Termination of Plan below. A plan termination shall not occur without the prior approval of the Head of Contracting Activity.
- d. Replacement Contractor - When there is a replacement contractor, the Contractor shall help the replacement contractor become a Plan Sponsor. The Contractor shall receive no assets from the plan or from DOE.
- e. Termination of Plan - If a plan terminates, the Plan Sponsor shall determine the value of plan liability. Consistent with any applicable law, any excess of plan assets over plan liability shall revert to the Department within twelve months of plan termination. Until such reversion, interest shall accrue at the treasury rate. Conversely, the Department shall reimburse the plan any excess of plan liability over plan assets. However, the Department subjects such reimbursement to the availability of funds. The liability of a defined contribution plan shall be the sum of the individual accounts. The liability of a defined benefit plan shall be the sum of the values of immediate annuities and deferred annuities resulting from a nonparticipating group annuity purchase from the lowest-bidding insurance company. For this purpose, the Plan Sponsor shall submit to the Head of Contracting Activity for approval or disapproval the annuity purchase bids from no fewer than ten reputable insurance companies. When a defined contribution plan terminates, the Plan Sponsor shall inform the plan participants of their right to roll their individual accounts over into alternative investments and of the consequences of their failing to do so. A plan termination shall not occur without the prior approval of the Head of Contracting Activity. Whenever possible, if a plan termination accompanies a contract termination, the Plan Sponsor and the Department shall arrange for the transfer of plan assets to a high-grade, short-term investment fund until all liabilities are discharged. Any assets remaining after discharge of all plan liabilities shall revert to the Department. Such transfer shall not occur without the prior approval of the Head of Contracting Activity.
- f. Continuance of Contract - Under a continuing contract, no change to a plan shall diminish plan assets, accrued benefits, or change valuation and accounting procedures for those assets. If a change to the plan is unavoidable, the Plan Sponsor shall guarantee with corporate funds those plan assets placed at risk by the change. No such change shall occur without the prior approval of the Head of Contracting Activity.

**N. Medical Benefits Program for Displaced Workers**

1. The cost of premiums for medical insurance covering contractor employees separated from employment subsequent to September 27, 1991, in connection with a work force reduction resulting from the right sizing of national defense activities will be reimbursable (in accordance with guidance published by DOE) provided the employee was:
  - (a) on the employment rolls of an entity covered by the provisions of Section 3161, as of September 27, 1991;
  - (b) eligible for medical insurance coverage under the contractor's plan at the time of separation from employment; and,
  - (c) not eligible for coverage under another employer's group health plan or under Medicare since the date of separation.

**O. Service Awards**

Service awards will be granted based on a service award program approved by the Contracting Officer.

Costs for this program will be paid for out of the monies allocated in section 6.J.

**PART - 6 - EMPLOYEE PROGRAMS**

**A. *Contractor-Directed Training Programs***

1. The Contractor may send a reasonable number of employees to technical meetings, professional society meetings, seminars, conferences, specialized training courses, etc., when, in the opinion of the Contractor, participation at such functions may contribute to the performance of the work under this Contract.
2. Off-site, specialized training in excess of three (3) months per person will be subject to the prior Contracting Officer approval on a case-by-case basis.
3. Employees participating in such functions will receive their regular salaries or wages.
4. Travel expenses, including registration and enrollment fees, conference meals, and other necessary and related conference expenses will be allowed when authorized by the contractor and supported by paid receipts.

**B. *Contractor-Endorsed Training Programs***

1. Upon obtaining Contracting Officer approval of the program the Contractor may participate in the cost of continuing education activities of its employees, provided such activities are job-related, and are successfully completed.
2. In addition to the training offered to employees on the job, the contractor may, organize and conduct an off-the-job voluntary training program for the benefit of its employees in furtherance of its work under the Departments Programs. Any program so established may include training at all educational and/or skill levels from vocation education through college courses of professional and/or technical nature.
3. The costs of such programs include, but are not necessarily limited to, organizational and administrative expenses, expenses incurred in obtaining facilities for use in the program, and Contractor-authorized travel expenses incurred by officials of participating education institutions.

**C. *INEEL-Sponsored Education Programs***

1. For courses and programs sponsored through the INEEL Education Program, the Contractor will pay textbook costs, fees and tuition of employees attending Contractor-approved courses and programs, and will pay the instructors and provide management of the program.
2. Employees will be required to sign a payroll deduction authorization form that may be used by the Contractor to recover costs should the employee fail to successfully complete the course or to attain a grade of at least a "C" or its equivalent.
3. Employees who audit a course will be required to attend at least eighty percent (80%) of the total number of sessions given in order for costs associated with the course(s) to be paid by the Contractor. Exceptions may be granted on formal petition by the employee, depending on the merits of the case.



**D. Non-INEEL-Sponsored Education Programs**

1. Reimbursement for correspondence courses taken by Occupational Medical Program physicians participating in the Masters of Public Health Program offered through the Medical College of Wisconsin will be one hundred percent of the reasonable costs of the course.
2. Reimbursement for correspondence courses not previously cited shall not exceed fifty percent of the reasonable costs of the course.
3. The Contractor will cover costs of books, and tuition for courses sponsored by local educational institutions that are not part of the INEEL Education Program. Also covered are fees associated with acquisition of academic credits through the successful completion of college level examination (CLEP tests).
4. Employees will be required to sign a payroll deduction authorization form that may be used by the Contractor to recover costs should the employee fail to successfully complete the courses or to attain a grade of at least a "C" or its equivalent.

**E. Education Degree Program**

1. Regular full-time employees of the Contractor with at least three years of recognized contractor service credit are eligible to apply for the Program, with their immediate manager's and Human Resource's approval. Employees approved for this program must be in pay status a minimum of 20 hours per work week to maintain their full-time employment benefits. In addition, the employee shall be a full-time student at an accredited university.
2. All educational expenses such as textbooks, tuition, and fees will be allocated as in the INEEL or non-INEEL Education Program provided the employee maintains a 2.5 grade point average for bachelor degree, or 3.0 grade point average for masters or doctorate degree. Contractor will provide DOE an annual report of participation under this program.

**F. Reimbursement for Professional Fees, Dues, and Licenses**

Criteria for Reimbursement - Employees who obtain a professional license will be reimbursed, providing that they obtain prior approval from their immediate manager. Reimbursement is limited to those licenses granted by the Idaho Board of Professional Engineers and Land Surveyors, the Idaho Board of Registration for Professional Geologists, the Idaho Occupational License Bureau (Environmental Health and Health Physics Specialist only), the American Industrial Hygiene Association, the American Board of Health Physics, the American Society of Safety Engineers, and other certification agencies as may be required by business necessity for contract work. Files on all approved expenditures will be maintained by the INEEL Institute in such a manner as to be readily accessible for audit. The amount of reimbursement will depend on the following criteria:

When an employee is required to be licensed or certified by a rule or regulation of the Department of Energy, the employee will be reimbursed 100% of the initial and renewal application, examination, license, and travel expenses, provided the examination is passed.

When an employee is not required to be licensed or certified by a rule or regulation of the Department of Energy, but it is in the best interest of the government to have the employee obtain such license or certification, the employee will be reimbursed provided the examination is passed. Reimbursement is limited to the initial license; annual license renewal fees are

not covered. In the event an employee who received a reimbursement of 50% is promoted or transferred to a position that requires a license, no retroactive reimbursement will be allowed, but annual renewal fees will be paid.

The contractor may participate in the cost of Professional Certification for a reasonable number of employees when in the opinion of the contractor, attainment of said certification may contribute to the performance of work under this contract.

Professional certification may include but is not limited to National Management Association Certification, Professional Secretary Certification, Professional Project Management, Certified Professional hazardous Waste Management.

Cost of sitting for the Professional Certification Examination include travel expenses and fees. As long as the examination is passed, costs are reimbursed to the employee at 50% for the initial examination. Annual renewals are not covered.

#### **G. *Occupational Medical Program Dues and Fees***

1. Occupational physicians will be reimbursed for fees and dues equal to the amount billed for membership in the American Medical Association, American Occupational Medical Association, Idaho Medical Association, Idaho Falls Medical Society, and one (1) specialty society if the physician is Board certified. In addition, Idaho State Board of Medicine Licensure fees are allowed.
2. Occupational clinical psychologists will be reimbursed for fees equal to the amount paid to the State of Idaho's Occupational License Bureau for the purpose of obtaining professional licensure.
3. Appropriate medical care providers in the Occupational Medical Program may be reimbursed for membership in the following medical professional societies: Occupational Clinical Psychologists, Occupational Registered Pharmacists, Occupational Physician Assistants.
4. Occupational registered pharmacists and the Director of Nursing will be reimbursed for fees equal to the amount paid to the State of Idaho's Occupational License Bureau for the purpose of obtaining professional licensure.
5. In the event an employee of the Occupational Medical Program leaves the employment of the Contractor after being reimbursed for any of the above fees and dues, the Contractor will require a pro rata return of such reimbursement in an amount equal to the proportion of the calendar year during which the employee was no longer in the employment of the contractor.

#### **H. *Attorney Dues and Fees***

1. Attorneys will be reimbursed for all fees required to practice law on behalf of the Company. In addition, the expense of "one" membership in the American Bar Association will be a reimbursable item.
2. In the event an attorney leaves the employment of the Contractor after being reimbursed for the above fees and dues, the Contractor will require a pro rata return of such reimbursement in an amount equal to the portion of the calendar year during which the employee is no longer in the employment of the Contractor.

***I. Retraining for Displaced Employees***

Salaried and hourly employees whose jobs are likely to be eliminated due to changes in the contractor's scope of work or budgetary reductions may be offered opportunities for retraining. Retraining programs will be designed to provide occupational skills which are in demand by the contractor or by other employers locally, regionally, or nationally, as appropriate. Where possible, training will be sufficient to make the individual employable at his or her current level of pay or in a field with prospects for advancement to this level in a reasonable period. Tuition payments for courses to qualify displaced employees for outside employment may be approved by the contractor. Retraining for outside employment may be conducted during working hours under programs approved by DOE.

***J. Employee Recreation, Morale, and Recognition Programs and Activities***

The company may establish and maintain programs to boost morale, promote goodwill, and to recognize and award employees for performance and service. The cost of the program will be limited to an amount equal to the equivalent of .075 percent of the annual base payroll per year. Activities will be consistent with FAR 31.205-13. The allocation of monies to various activities will be at the discretion of the Contractor.

Except for the safety award program as described in Section 6.K, this fund will cover all monies spent for employee morale, recreation, and recognition activities and awards, including: service awards, recognition awards and dinners, company picnics, parties, etc.

***K. Safety Programs and Awards***

The Contractor may train personnel in safety, first aid, and other matters, and hold contests, give awards, and hold functions to promote safety and morale. A safety award budget will be presented yearly by the Contractor to DOE for approval. This budget will be used to pay for promotional materials, awards, safety dinners, certificates, plaques, outside speakers, movie films, hall rentals, and site programs.

***L. Research and Development (R&D) Innovation Program***

1. The innovation in the field of R&D Award program will involve evaluation of the research performed based on the originality of the idea, quality of the research, and the potential benefit to the INEEL. A maximum of ten (10) awards will be made each fiscal year.
2. The employee or team submitting the most innovative idea will receive a cash award of \$2,500, and an appointment to the board reviewing the next year's submittal.
3. Special recognition awards (maximum of ten) may be received by employees or teams who have clearly demonstrated innovativeness in research. The total cost of these awards will not exceed \$1,000 each.
4. Should no projects be deemed worthy of special recognition in any given year, no awards will be given.
5. Any improvements or innovation that requires a contract change or waiver to a design or regulatory requirements is subject to approval by DOE prior to issuing an award.

**M. Contractor Workplace Substance Abuse Program**

Contractor shall submit to the Contracting Officer for approval a written Workplace Substance Abuse Program consistent with the minimum requirements of 10 CFR part 707, Workplace Substance Programs at DOE sites, and provides for baseline services including education awareness programs on the hazards of using substances in the DOE workplace; supervisory training on their responsibilities with impaired employees; and Employee Assistance Program services. Where testing designated positions have been identified, contractors must include a testing program that meets the requirements of the Department of Health and Human Services Mandatory guidelines and 10 CFR part 707.

**N. Employee Assistance Program**

1. Contractor shall submit for approval by the Contracting Officer an employee assistance program implementation plan consistent with the requirements listed in DOE Order 350.1.
2. The program shall provide for preventive services, education, short term counseling, coordination with and referrals to outside agencies, and follow-up upon return to work that conforms to the requirements of 10 CFR 707.6, Employee Assistance, Education, and Training. A description of the Employee Assistance Program services shall be included in the contractor Substance Abuse Plan. In addition, the Employee Assistance Program shall provide services for other medical behavioral, mental, emotional or personal problems of employees and dependents.

**O. Inventions and Discoveries**

1. The Contractor will pay employee inventor(s) the following amounts upon the filing of an original, division, continuation or continuation in part application for and the issuance of a patent:

<u>Number of Inventors</u>	<u>Payment Per Employee</u>	
	<u>Application</u>	<u>Issuance</u>
1	\$300	\$ 700
2	\$200	\$ 600
3 or more	\$150	\$ 500

2. The Contractor will implement procedures to reward employee inventor(s) by sharing with them a minimum of 25% of the gross amount of royalty receipts from licenses or any other non-monetary consideration received from the licensing program.
3. Upon DOE review and approval, the Contractor may implement other, and additional, employee reward programs utilizing the royalty revenues. Such reward programs will be set forth in the Contractor's operating procedures per contract clause H.26 and H.27.
4. Inventors Luncheon. The Contractor is authorized to have an annual luncheon for the purpose of honoring employee inventors who have had patents issued in their name. Reasonable expenses for the luncheon function shall be reimbursable costs under the contract.
5. Employee/Inventor's Organization. The Contractor may encourage and/or cause the formation of an organization whose membership is comprised of employee inventors. Such an organization may undertake programs, communications and/or publications of interest to the membership. The Contractor may expend up to \$20,000/year to support the activities of such an organization.

## **PART - 7 - TRAVEL and RELOCATION**

### **A. General**

Except as note below, allowable costs for business travel, subsistence and relocation expenses of employees will be in accordance with the Federal Acquisition Regulations, the Department of Energy Acquisition Regulations, and the Federal Travel Regulations.

### **B. Business Travel**

Reimbursement is allowed for brief personal calls to an employee's family or residence within the United States while the employee is in travel status for more than one night. An average of one call per day, not to exceed \$4.00 per call, or \$12.00 per trip for each 7-day period of a single trip, will be reimbursed.

### **C. Temporary Assignments**

1. Assignments to the Washington D.C. area.
  - (a) Assignments to the Washington D.C., area will be in accordance with DOE N 350.3 and DOE N 350.4, and established DOE-ID policy.
2. Assignment of an anticipated period of 365 days or less but more than 30 days will be considered temporary. Reimbursement will be made as regular business travel for trips of 30 days or less; however, for trips of 31-90 days, the contractor may evaluate the most effective approach to determine whether business travel or a temporary assignment is appropriate. Employees on temporary assignments will be paid on a per diem basis, (in accordance with paragraph 5 below), for the entire term of the assignment.
3. Unless approved otherwise by the Contracting Officer, a temporary assignment will be reclassified as a permanent assignment if it exceeds 12 months.
4. An employee on temporary assignment may be permitted to ship up to 2,500 net pounds of personal effects to the assignment location and 2,500 net pounds from the assignment location. In lieu of shipping, the company may reimburse employees for the cost of a rental trailer. Reimbursement of rental trailer costs cannot exceed the cost of shipping 2,500 pounds to and from the assignment location.
5. Employees on temporary assignment shall receive full lodging, meals and incidental expense per diem in accordance with established business travel reimbursement policies for the first 60 calendar days of the temporary assignment or until semi-permanent housing is obtained. After the first 60 days or after semi-permanent housing is obtained (whichever occurs first), the allowance for lodging, meals, and incidental expenses will be reduced to 65 percent of full per diem rate for the location of the assignment. While on full per diem, receipts for lodging expenses will be required. No receipts will be required for reimbursement once semi-permanent housing is obtained or 60 days has expired.
6. The lodging portion of the per diem allowance for temporary assignees will not be disallowed except when an absence from the temporary assignment location is sufficiently long to warrant termination of lodging arrangements.
7. While on temporary assignment, employees may be eligible to receive one return trip home each consecutive four-week period provided business travel has not provided otherwise. An employee's spouse or other immediate family member may be sent to the temporary work location in lieu of a return trip home provided the action is at least cost neutral to the customer.

8. An employee whose house is vacant due to the assignment may be reimbursed for reasonable and actual home maintenance and/or lease management expenses up to a maximum of \$100 per month.

***D. New Hires and Permanent Transfers***

1. Relocation expenses will be allowable for all new hires into exempt positions as well as nonexempt Experimental Power Reactor Operator job classifications. This provision is not intended to apply to those nonexempt employees or nonexempt new hires whose skills are readily available within local market areas or where transfer would not add significantly to the contract work.
2. In all relocations there may be no duplication of time or expenses between transfer relocation allowance, interim living expenses, or home search expenses.
3. Except for relocation costs, employees on a permanent assignment are not eligible for per diem. When the assignment is to a new area with a higher cost of living higher than the area he/she is departing, the employee may receive a cost of living allowance for up to two years. The amount of the allowance will be based on an agreed to amount between the contractor and the Contracting Officer.
4. Costs incidental to the sale of the residence are allowable costs so long as they are included with all other additional home sales costs not to exceed 14 percent.
5. The company may provide assistance to new hires or transferring employees in selling their former residences and/or buying new ones when moving to new work locations at the request of the company.
6. Rental costs of a car trailer or truck for transportation of the employee's household furniture and effects at a cost not to exceed the amount that would be charged by a commercial carrier is allowed. If employees haul their own trailer, reimbursement may be made in accordance with the mileage rates contained in the FTR, not to exceed the amount that would be charged by a commercial carrier.

***E. Foreign Travel/Assignments***

1. Travel expenses associated with foreign business travel will be in accordance with applicable FAR, DEAR, and FTR guidelines.
2. Relocation expenses associated with foreign assignments will be negotiated on a case-by-case basis.

## **PART - 8 - MISCELLANEOUS POLICIES**

### **A. *Participation in Association Activities***

1. Cost incurred as a result of participation in the activities of technical, professional, and business associations will be allowed, as indicated below, when such participation is beneficial to the work under this contract and does not interfere significantly with the employee's primary assignment under this contract.
2. The costs allowed will be as follows:
  - a. Salaries while participating in these activities.
  - b. Registration fees for attendance at conventions, conferences, expositions, and other meetings; such fees to include only the minimum requirements for attendance.
  - c. Travel expenses connected with the attendance mentioned immediately above; such expenses to be in accordance with the approved travel policies stated elsewhere in this Attachment A.
  - d. Incidental costs of materials and services incurred in preparing papers and reports related to attendance at conventions, conferences, expositions and other meetings.
3. The National Management Association is one such organization which has been approved. Allowable costs will be handled in accordance with the above guidelines.

### **B. *Personnel Borrowed***

The cost associated with Corporation employees not working for the Contractor, such as internal auditors and other Contractor employees, borrowed for incidental work under this contract is reimbursable. Reimbursement for the time such employees work under this contract will be allowable in accordance with the home operating unit's disclosed costing practices. Time worked under this contract will include the time spent by employees en route to and returning from the site of work. Travel cost of such borrowed personnel will be allowed on the same basis as for employees working on the contract. A semi-annual report will be provided to DOE reflecting participation and costs involved in this program.

### **C. *Personnel Loaned***

With prior DOE approval, the contractor may loan, at no cost to the government, individuals working under this contract to other operations of its corporation as long as it does not interfere with the performance of contract work. A cumulative report will be submitted annually.

### **D. *Employee Publications***

The Contractor is authorized to publish and/or provide to its employees one (1) Corporate publication and such local employee newspapers or other publications as may be mutually agreed upon between the Contractor and Contracting Officer.

**E. Protective Clothing**

1. Protective Clothing Expense

- a. Employees who are required or allowed to wear special clothing, shoes and protective equipment for various reasons such as safety, housekeeping, protection from harmful chemicals or radioactive contamination, guard exercise clothing, etc., are furnished such items at no cost to the employees.

Laundering of such special clothing may be done at no cost to the employees.

- b. Safety glasses or goggles may be provided for all employees. Prescription safety glasses may be provided for those employees who require corrective lenses as approved by their supervisor.

2. Loss of, or Damage to, Employees' Clothing and Personal Effects

Employees may be reimbursed for clothing and personal effects damaged or destroyed on plant or laboratory premises as a result of fire, explosion, radioactive contamination, or other similar incidents, under circumstances in which the employee is not negligent in failing to use protective clothing. Reimbursement is made only for cost not covered under other insurance.

**F. Security Suspension Pay**

1. If the access authorization of an employee is suspended by direction of the Manager, Idaho Operations Office, the Contractor shall transfer the employee to perform work not requiring access if such work is available. If a determination is made by the Contractor that no work is available in an uncleared area to which the employee may be transferred, the Contractor shall prepare a written report for the review and concurrence of DOE, setting forth the reasons for the determination. Subject to DOE's concurrence with such determination, the Contractor shall place the employee on leave with pay at the employee's current base compensation until the employee is notified in writing of the Hearing Officer's recommendation. If the Hearing Officer recommends revocation of access authorization the employee shall be placed on leave without pay. If the Hearing Officer recommends continuation of access authorization, payment of the base wage shall be continued until final disposition of the case under Departmental procedures, 10 CFR Part 710.
2. In the event the employee whose access authorization has been suspended is transferred to another position where such access authorization is not required, compensation shall, thereafter, be the base wage or salary received by the employee on the position from which transferred, and such compensation shall continue until the employee is notified in writing of the Hearing Officer's determination. If the Hearing Officer recommends revocation of access authorization, compensation will be adjusted to the rate applicable to the job being performed. If the Hearing Officer recommends continuation of access authorization, the base wage previously received shall be continued until final disposition of the case under Departmental procedures, 10 CFR Part 710.
3. If at any stage of the access authorization procedure following a suspension, the employee's access authorization is reinstated and returns to work in the same or comparable position, the employee shall be reimbursed for net loss of base earnings during the period of suspension.



**G. Medical Examinations**

The Contractor may authorize or require any employee or prospective employee to submit to a medical examination when such examination is considered advisable. Costs of such examinations are reimbursable.

**H. Personnel Recruitment**

Reasonable and necessary expenses incurred in the recruitment of personnel, including but not necessarily limited to expenses for help wanted advertising; employment offices; travel of employees on recruiting assignments; preparation of booklets and other recruiting material; and, with the prior approval of the Contracting Officer, the use of employment agencies or executive search organizations at rates not in excess of standard commercial rates, shall be allowable. The Contractor will include expenditures for attracting qualified women and minority candidates in its recruiting budget.

**I. Employee Association**

The Employee Association is a nonprofit organization of Contractor employees which promotes and sponsors social, education, recreational, and other matters of common interest for members in order to create an atmosphere conducive to good fellowship and high morale. It also sponsors and participates in fund-raising activities for a charitable purpose. These costs will be allowable only with prior approval of the Contracting Officer.

**J. Key Employees**

1. It having been determined that the personnel in those position classifications listed in Schedule A-1 are necessary for the successful performance of this contract. In accordance with the clause in Section I of this contract entitled "Key Personnel," the Contractor agrees to assign, at the time requested by the DOE, such employees into these or other classifications to perform the work of this contract and shall not assign nor remove any such employees without the prior consent of the DOE. The Contractor agrees not to bid any key personnel on any DOE contract during the duration of this contract. Whenever, for any reason, one or more of the employees in these classifications are unavailable for assignment for work under the contract, the Contractor shall, with the prior approval of the DOE, replace such employee with an employee of substantially equal abilities and qualifications. This list shall be deemed to be changed at such time as approved by Reimbursement Authorization from the DOE. Positions may be added or removed from this list with DOE approval, due to changes in the organization.
2. The top level organization chart and a list of key management positions have been submitted by the Contractor and approved by DOE; any changes, additions, or deletions to designated key management positions will be approved in advance by DOE in accordance with the clause in Section I of the contract entitled "Key Personnel." A listing of the DOE approved key personnel is included as Schedule A-1.
3. The manager of Internal Audit shall remain a corporate employee to enhance independence. Allowable costs for this corporate employee shall be reimbursed under the contract.

**K. Community Relations**

1. The Contractor may make individual employees available to work with or for governmental, quasi-governmental, and other organizations in the Idaho Falls area toward achieving civic goals (e.g. Bond drives, charitable drives (e.g., United Way), participation in energy-use reduction studies, city councils, and school boards). Participation in activities of service organizations will not be included under this heading.
2. The Contractor may also conduct appropriate community relations activities for the purpose of assisting in the recruitment and retention of qualified personnel. Examples of programs which come under this provision are exhibits at science and technical shows, universities, career fairs, and related activities; slide presentations to special interest groups showing opportunities in energy fields and at the site in particular; on-site tours for local organizations; and presentations to enhance interest in technical careers. The Contractor is authorized to conduct, participate in, and support events to educate the INEEL and community on issues dealing with a culturally diverse population; to promote a quality work life environment by providing information to educate and encourage women and minorities in the workplace; and to remove discriminatory stereotypes. These events, such as Women's Career Day and Cultural Awareness Week, include award items for speakers and chairpersons as well as an honorarium and expenses for the keynote speakers.
3. The salaries, wages and fringe benefits of employees while engaged in such approved activities will be allowable costs. Any commitment of labor will have the prior approval of the Contractor's General Manager or designee.

**L. Workforce Restructuring**

1. The Contractor will comply with the requirements of the Idaho Operations Office Work Force Restructuring Plan which implements Section 3161 of the National Defense Authorization Act of Fiscal Year 1993. Costs associated with the implementation shall be allowable in accordance with the approved plan.
2. Where a change in the nature or structure of the Contractor's work force may effect 100 or more employees within a 12 month period, the Contractor shall provide such information as directed by the Contracting Officer or his designee to enable compliance with section 3161 of the National Defense Authorization Act for Fiscal Year 1993 and pertinent DOE guidelines and directions.
3. Contractor will notify the Contracting Officer or designee of any work force reduction. Reductions that involve the involuntary separation of 10 or more employees must be at least 10 work days prior to such separation.

**SCHEDULE A-1****LISTING OF KEY PERSONNEL**

<b>Name</b>	<b>Position</b>
Dr. Bernie Meyers	President & General Manager
Dr. Billy Shipp	Laboratory Director & Deputy GM
Dick Watkins	ESH&QA Manager
Dr. Larry Papay	Strategic Planning & Technology Commercialization
Paul Divjak	Operations Manager
Lee Watkins	Deputy for Nuclear Operations and Programs
Bill Gay	Site Operations Director
John Hovinga	INTEC Area Director
Dave Kudsin	SMC Area Director
Dave Lucoff	TRA Area Director
Susan Stiger	EM Program Manager
Lee Smith	ER Program Manager
Lee Sygitowicz	WM Program Manager
Frank Lopez	Site Services & Infrastructure Manager
Dr. Richard Jacobsen	Deputy R&D Director & Chief Scientist
Paul Rosenkoetter	Business Manager & CFO
Maureen Mendez	Human Resources
Dennis Dreyfus	QA Manager
Collin Moller	Intergovernmental Affairs
Penny Phelps	Public Affairs
Ed Molnar	Transition Manager